

Quarterly Industry Update

As of September 30, 2013

Industry: Medical Recordkeeping



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Medical Recordkeeping industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since September 30, 2012, the median 52-week share price return of the Medical Recordkeeping industry has increased by 19.7%. In the last quarter, the median price-to-earnings multiple increased from 25.1x to 26.7x.

Comparable Public Company Key Statistics

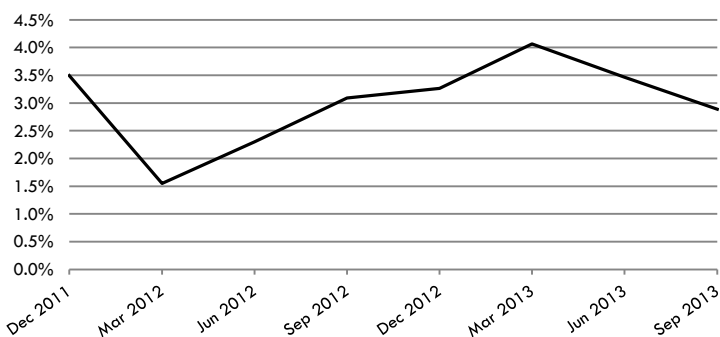
Median 52-Week Return	18.5%	Median EV/Revenue Multiple	3.0x	Median Price/Earnings Multiple	26.7x
Median 3-Year CAGR Return	3.0%	Median EV/EBITDA Multiple	14.4x	Median EV/Gross CF Multiple	22.2x

Comparable Public Company Market Price Returns (As of September 30, 2013)

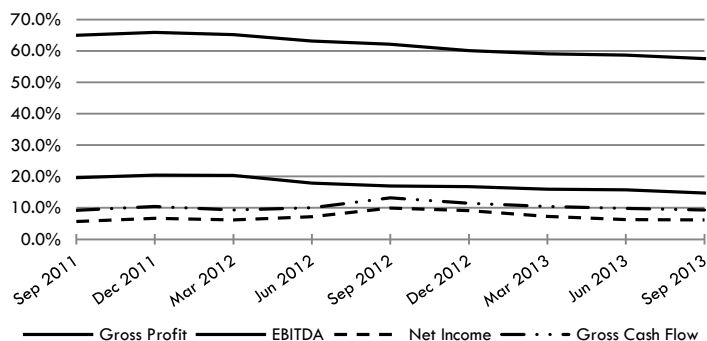
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Simulations Plus, Inc.	9.6%	15.3%	4.3%	24.6%	19.1%	27.1%	46.8%	11.2%	94.9%	50.0%	-75.9%
Streamline Health Solutions, Inc.	33.6%	15.7%	36.4%	114.0%	84.5%	32.0%	231.2%	4.8%	-29.6%	17.7%	8.8%
iCAD, Inc.	10.0%	-12.2%	145.1%	49.8%	-15.5%	-19.9%	68.1%	-57.8%	-11.2%	34.5%	-44.1%
Ebix Inc.	-38.3%	7.3%	-57.9%	-17.8%	-24.9%	-1.0%	-27.1%	-6.6%	45.4%	104.3%	-2.0%
Merge Healthcare Incorporated	5.7%	-27.5%	-31.7%	-34.5%	-3.5%	20.9%	-49.1%	30.0%	11.0%	162.5%	7.6%
Computer Programs & Systems Inc.	16.2%	19.0%	5.3%	-6.0%	11.2%	15.1%	-1.5%	9.1%	1.7%	71.8%	17.9%
Medidata Solutions, Inc.	152.5%	27.7%	138.4%	145.3%	72.7%	N/A	80.1%	-8.9%	52.9%	N/A	N/A
Quality Systems Inc.	25.2%	16.1%	17.3%	-33.1%	-13.1%	0.6%	-53.1%	6.0%	11.2%	44.0%	43.1%
Cerner Corporation	35.6%	9.4%	35.8%	23.8%	35.8%	36.3%	26.5%	29.3%	14.9%	114.4%	-31.8%
Nuance Communications, Inc.	-16.3%	1.5%	-24.9%	-4.2%	6.1%	8.9%	-11.3%	38.4%	17.1%	49.9%	-44.5%
Hill-Rom Holdings, Inc.	25.7%	6.4%	23.3%	9.2%	-0.1%	3.4%	-15.4%	-14.4%	64.1%	45.7%	-70.5%
Allscripts Healthcare Solutions, Inc.	57.9%	14.9%	19.7%	-9.2%	-7.0%	N/A	-50.3%	-1.7%	-4.7%	103.9%	N/A
Omnicell, Inc.	59.2%	15.2%	70.4%	31.1%	21.9%	12.5%	-10.0%	14.3%	23.6%	-4.3%	-54.7%
(Invalid Identifier)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Median of Industry Public Companies	25.2%	14.9%	19.7%	9.2%	6.1%	12.5%	-10.0%	6.0%	14.9%	50.0%	-31.8%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Medical Recordkeeping Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Medical Recordkeeping Industry

Date:	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013
EV/Revenues Multiple	3.4x	3.0x	3.2x	3.4x	3.4x	3.1x	3.1x	2.5x	3.0x
EV/EBITDA Multiple	16.5x	14.3x	14.8x	14.3x	13.9x	16.9x	14.8x	13.8x	14.4x
Price/Earnings Multiple	28.2x	21.9x	23.9x	24.0x	27.7x	27.9x	25.5x	25.1x	26.7x
EV/Gross Cash Flows Multiple	23.0x	19.1x	19.6x	20.8x	19.8x	21.8x	20.6x	19.0x	22.2x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Richard Reynolds or Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

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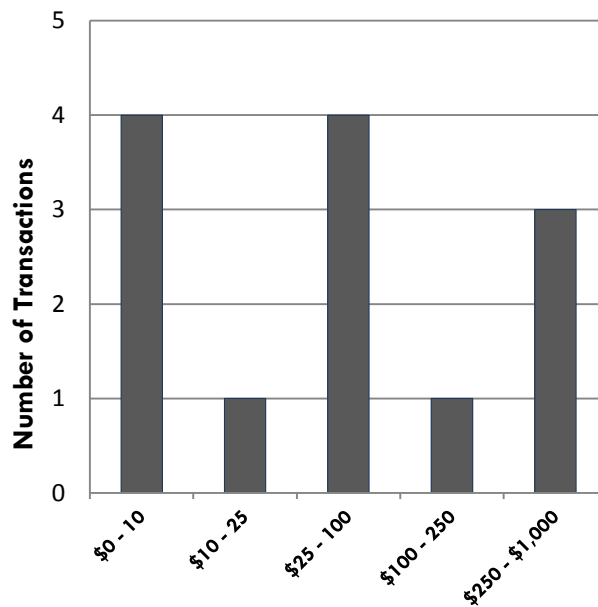
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
9/26/2013	Premier, Inc.	\$27.00	28.2	\$760.1	\$598.9	\$34.6	\$869.3	\$407.1	\$0.0	\$434.7
3/27/2012	Vocera Communications, Inc.	\$16.00	5.9	\$93.6	\$49.8	\$8.3	\$79.5	\$1.2	(\$3.0)	\$2.2
2/1/2012	Greenway Medical Technologies, Inc.	\$10.00	6.7	\$66.7	\$85.0	\$0.0	\$105.8	\$4.9	\$32.6	N/A
6/24/2009	Medidata Solutions, Inc.	\$14.00	6.3	\$88.2	\$77.4	\$20.8	\$118.3	\$3.9	\$39.4	\$11.7
5/21/2002	Computer Programs & Systems Inc.	\$16.50	3.0	\$49.5	\$17.6	\$0.7	\$63.1	\$10.6	\$16.0	\$11.6
8/7/2001	Omniceil, Inc.	\$7.00	6.0	\$42.0	\$47.5	\$11.4	\$76.3	(\$5.5)	\$2.3	(\$3.6)
1/29/1998	Merge Healthcare Incorporated	\$6.00	1.9	\$11.4	\$7.6	\$2.1	\$9.7	\$1.3	(\$4.0)	\$1.6
6/18/1997	Simulations Plus, Inc.	\$5.00	1.2	\$5.8	\$2.0	\$1.8	\$2.4	(\$0.6)	(\$1.7)	(\$0.5)
Median of All IPOs		nm	nm	\$58.1	\$48.6	\$5.2	\$77.9	\$2.6	\$1.2	\$2.2

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
9/16/2013	Ascribe, Ltd.	EMIS Group PLC	\$88.7	100%
3/12/2013	Epocrates	athenahealth	\$307.2	100%
9/16/2013	Ascribe	EMIS Group	\$88.7	100%
12/17/2012	Plumtree Group	Ideagen	\$4.0	100%
11/9/2012	Mediware Information	Thoma Bravo	\$193.4	100%
11/1/2012	HealthCare Partners	DaVita	\$4,693.0	100%
10/19/2012	Sy.Med Development	Healthstream	\$9.5	100%
9/12/2012	Strand Technology	Advanced Health and Care	\$3.2	100%
8/22/2012	Sunquest Information Systems	Roper Industries	\$1,390.0	100%
8/16/2012	Meta Health Technology	Streamline Health	\$16.0	100%
7/3/2012	eResearchTechnology	Genstar Capital, LLC	\$423.5	100%
6/18/2012	GE Medical Systems	Ascom (US)	\$28.0	100%
1/20/2012	OptiLink	Kronos	\$8.9	100%
11/10/2011	Sage Software Healthcare	Vista Equity Partners	\$314.7	100%
Median of All Transaction Targets			\$88.7	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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